

Personnel Issues & You



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403(b) Annuity Plan Eligibility

The Personnel Cabinet recently met with representatives from Social Security and the Internal Revenue Service in order to clarify who is eligible to participate in a 403(b) tax sheltered annuity plan.

The 403(b) plan is available only to employees who directly or indirectly provide services for educational institutions. However, if an employee enrolled in the 403(b) plan leaves that agency for an agency that does not provide services for educational institutions, that employee forfeits his eligibility for the 403(b) plan as designated by deductions 46, 47, or 48.

The Personnel Cabinet Payroll Branch is in the process of identifying by agency number the employees eligible to participate in the 403(b) annuity plan in order to block the deduction codes for ineligible employees. Until then, we ask that you verify eligibility of any employee transferring to your agency that uses deductions 46, 47, or 48.

COBRA Instructions – Health Insurance

The member should complete COBRA Health Insurance Application and return the completed application to the Health Insurance Coordinator. The coordinator should sign the application form and make a copy for his/her files.

The coordinator should then mail to the appropriate insurance carrier the application, original COBRA notification, Election Form, and check made payable to the insurance carrier for the first month's premium.

**PLEASE DO NOT MAIL ANY
HEALTH INSURANCE COBRA
APPLICATION TO THE OFFICE OF
PUBLIC EMPLOYEE HEALTH
INSURANCE.**

INSIDE THIS ISSUE	
1	403(b) Annuity Plan Eligibility
1	COBRA Instructions – Health Insurance
2	New Dental Plan Rates for 2002
2	Employees Returning to Work – Commonwealth Choice
2	COBRA Instructions – Commonwealth Choice
3	Qualifying Events and Commonwealth Choice
3	Military Leave

New Dental Plan Rates for 2002

Effective January 1, 2002 the premiums for several dental plans will be increasing. The new rates shown below will be updated in the computer.

BURCH DENTAL

Single	\$15.25
Dual	\$27.75
Family	\$39.50

ADENTA, INC

Single	\$17.49
Dual	\$32.90
Family	\$51.48

DELTA DENTAL PLAN OF KENTUCKY

Single	\$18.56
Dual	\$35.64
Family	\$58.92

HEALTH RESOURCES, INC

Single Employee	\$25.14
Employee & Spouse	\$52.64
Employee & Child(ren)	\$50.84
Employee & Family	\$76.38

Employees Returning To Work – Commonwealth Choice

All retirees returning to active status that were not previously enrolled in Commonwealth Choice for the current plan year and wish to enroll in Commonwealth Choice may deposit an EMPLOYEE contribution, providing the employee has not been previously enrolled and let account drop due to not enrolling in Commonwealth Choice COBRA.

COBRA Instructions – Commonwealth Choice

The member should complete COBRA Commonwealth Choice Application and return the completed application to the Health Insurance Coordinator. The coordinator should sign the application and make a copy for his/her files. The coordinator should then mail the application, original COBRA Commonwealth Choice Application, Election Form, and a check made payable to Hunt, Dupree, Rhine & Associates for the amount of the first month's contribution to:

Office of Public Employee Health Insurance
Member Services Branch
Attn: Susan Popp
200 Fair Oaks Lane, Suite 503
Frankfort KY 40601

Qualifying Events And Commonwealth Choice

Please mail all Commonwealth Choice Qualifying Event Applications to:

Office of Public Employee Health Insurance
Member Services Branch
Attn: Susan Popp
200 Fair Oaks Lane, Suite 503
Frankfort KY 40601

You **MUST** send the Health Care Spending Account Change in Status Form along with the required qualifying event documentation. If the employee was already enrolled in Commonwealth Choice, it is not necessary for him/her to fill out a new Commonwealth Choice Application. However, if the employee was not previously enrolled in Commonwealth Choice for the current plan year and the qualifying event allows enrollment in Commonwealth Choice, the employee is required to complete a Commonwealth Choice Enrollment Application.

Please remember that you **MUST** place a call to Hunt, Dupree, Rhine and Associates at 1-800-403-2839 to verify amount of claims paid year to date. Please write that amount and the date you placed the call to HDR on the bottom of the Change of Status Form.

PLEASE DO NOT HOLD THESE FORMS - MAIL THE CHANGE IN STATUS FORM TO OPEHI AS SOON AS POSSIBLE AFTER MAKING THE BALANCE INQUIRY AT HUNT, DUPREE, RHINE & ASSOCIATES.

Military Leave

The following questions and answers were compiled to help clarify some of the issues that arise when state employees, who are reservists in the armed services or in the National Guard, are called to active military duty.

1. Q - Are the rights the same for each branch of service?

A - Yes. The same federal and state laws apply to all employees who are called to active duty.

2. Q - May the 10 days of military leave with pay that is designated for training in the statute and regulation be used for the first 10 days of active duty?

A - Yes. If the employee has not used 10 days of paid military leave for training in the current federal fiscal year (October 1 - September 30), the employee may request to use the 10 days of paid military leave on entering active duty.

3. Q - May the employee use annual or compensatory leave for the absence due to active duty?

A - Yes. The employee may do any of the following:

- a. Request in writing to use all or part of accrued annual and compensatory leave during the absence. If the employee uses paid leave for the absence, the leave must be used consecutively;
- b. Use no annual or compensatory leave so the leave is available on the employee's return and be placed on military leave without pay;
- c. Request in writing to be paid in a lump sum for annual and compensatory leave and be placed on military leave without pay.

In all cases the employee entering active duty must specify in writing to his supervisor or agency personnel office what action to take. An employee who does not specify will be placed on military leave without pay by personnel action.

4. Q - Is the employee able to return to the same state job after release from active duty?

A - Yes. The law requires the state to give returning reservists the same or a comparable job.

In addition, the returning employee is entitled to any pay raises that would have been granted as well as seniority that would have accrued. Also, the employee's increment date does not change.

The employee will be credited with the appropriate months of service on presentation of a DD2-14 to the agency personnel or payroll officer. Please note that while the employee is entitled to months of service for the purpose of annual leave accrual, the employee does not accrue annual or sick leave while on military leave without pay.

5. Q - Are classified and unclassified state employees treated the same?

A - Yes. In addition to equal treatment in regards to the entitlements described in question 4 an employee returning from active duty, including a non-merit employee, may not be terminated except for cause for a period of 180 days following a period of service of 31-181 days, and for one year following a period of service of 181 days or more.

6. Q - How long does an employee have to return to the state job after release from active duty?

A - A reservist who enters active duty may return to the same or a comparable job in state government after up to 6 years of active military service.

7. Q - How long does the employee have to report to the state job after being released from military duty?

A - It depends on the length of active service. After a period of service of 31-180 days, the individual has 14 days to advise the agency of the end of active duty and to reclaim the state job, after a period of service or 181 days or more, the individual has 90 days.

8. Q - What if the state has laid off workers, including the reservist's job?

A - If the reservist's position was abolished as a result of a lay-off, or the individual's name was included in a lay-off plan, the employee would not be able to reclaim the job immediately. The employee would retain reemployment rights as if he had not left the job, i.e., placement on re-employment lists with all seniority rights intact.

9. Q - What if the individual does not agree that the job provided on return to state employee is comparable to the old job, what recourse does he or she have?

A - The individual may file an appeal with the Personnel Board.

10. Q - What if the individual is wounded or disabled and unable to perform the state job on return from active duty?

A - If the employee is able to perform other jobs, the state must offer a position similar in status and pay to the previous job for which the employee is qualified and can perform.

11. Q - What happens to the employee's health insurance benefits while the employee is called up?

A - A state employee who reports for active duty is automatically covered by the Defense Department's health insurance program. A state employee may elect either to stop state coverage on activation or to continue coverage under the state's group health insurance. Both of these options apply whether the employee has single coverage or has any level of dependent coverage.

If the employee elects to stop health insurance coverage, the coverage will terminate on the last day of the month in which the employee activates. The agency insurance coordinator may recover premiums paid by, or on behalf of, the employee for the following month. When the employee returns to state employment health benefits will be reinstated effective immediately with no waiting period and no penalty just as though the employee did not leave state service.

A state employee who elects to maintain state health insurance coverage while on military leave without pay must make arrangements with the agency's insurance coordinator to continue premium payments. Payments must be made by the 15th of a month to continue coverage for the following month. The employee may maintain state health insurance coverage in this manner for the duration of active military duty up to 6 years.

If an employee carries a dependent on a Parent Plus, Couple or Family Plan, and the dependent is called to active duty, this is a qualifying event that allows the employee to remove the dependent from coverage and change the level of coverage. The employee also has the option to continue to pay the same premiums and continue coverage on the dependent.

12. Q - What happens to the employee's life insurance when called up for duty?

A - The state sponsored life insurance is paid by the employer for the month the employee is called up and the following month. However, the employee is responsible for making the premium payments for any additional policies.

An employee can make a monthly premium payment of \$ 1.96 to keep the basic life insurance policy of \$ 20,000 active and also make payments for any additional coverage while on approved military leave without pay for a period of 12 months.

13. Q - Is the activated employee's coverage reinstated on return to work?

A - Provided the employee returns to work within 90 days of discharge, any coverage that was in effect when the employee left for active duty will be reinstated for both the employee and dependents.

14. Q - Does the US military provide life insurance coverage to activated reservists?

A - Yes, the military provides life insurance to activated employees. Effective November 1, 2001, the amount of coverage for reservists was increased to \$ 250,000, and dependents will also qualify for coverage. Spouses may be insured for up to \$ 100,000 and dependent children for up to \$ 10,000 per child. Coverage for spouse and children must be elected and paid for by the service member.

15. Q - Who do I contact for additional information regarding the state sponsored life insurance provided by the Commonwealth of Kentucky?

A - You may contact the Personnel Cabinet, Group Life Insurance Branch at (502) 564-4774 or (800) 267-8352.

16. Q - Are dependents of military personnel entitled to any other benefits from the military?

A - If they live within a reasonable distance of a military base, they can shop at commissaries for groceries and at exchanges for clothing and other merchandise. The prices at such facilities are normally lower than at supermarkets or department stores.

17. Q - What happens to the employee's retirement benefits?

A - Retirement benefits remain in effect. A reservist who was vested at the time of call-up would be vested upon return. Contributions by the state to the retirement plan would be suspended during the period of military leave without pay.

18. Q - What if the call-up triggers a severe financial problem, causing the employee to default on a mortgage or car payment?

A - Under the Soldiers and Sailors Civil Relief Act, courts are barred from foreclosing on homes or repossessing cars or furniture as long as the reservists is away and unable to answer such a petition filed by creditors.

For additional information on the rights provided to an employee entering active military duty, an employee may contact a representative at a regional office of the Veterans' Employment and Training Service: Rick Netherton or Bonnie Kunkle in Frankfort, KY at (502) 564-7062, or Robert Kuenzli in Covington, KY at (859) 292-666 Ext. 253.